IMPREST FUND TRAINING

Updated 27 Oct 2005

IMPREST FUND DEFINITION

- Cash fund of a fixed amount, established by an advance of funds, from an agency finance disbursing officer to a duly appointed cashier, for disbursement as needed, from time-to-time, in making payment in cash for relatively small purchases

AGENCY RESPONSIBILITIES

- Periodic review to determine continuing need and amounts not in excess of actual needs
- Prompt action to adjust to level commensurate with need
- Develop and issue appropriate implementing regulations to include a minimum of the following
  - Designation of personnel authorized to make purchases
  - Documentation of purchases
    - Receipt and acceptance of supplies/services by Gov
    - Receipt of cash by suppliers
    - Cash advances and reimbursements

PROCEDURES TO ESTABLISH

- Request
  - Submit to local AFO
  - Shall contain:
    - Full justification, stated in explicit terms, why normal contracting and supply procedures must be bypassed
    - How denial would adversely affect mission accomplishment
    - Approvals of the imprest fund cashiers
      - Provide name of primary cashier
      - Provide name, address, and official station of imprest fund cashier
      - Identify alternate cashier
      - Provide dollar value of estimated purchases by appropriation
      - Routed and signed by the Commander or OIC

Note: Must submit a new request every time cashiers change

AGENCY RESPONSIBILITIES

- Reviews
  - Periodic review and determination if continuing need for funds or of increase/decrease is needed
    - AFO will conduct
      - Annually for $2,000 and under
      - Quarterly for over $2,000

CONDITIONS FOR USE

- Small Purchases
  - May be used when transaction does not exceed $500
    - Repetitive purchases for same item and splitting purchases among vendors to avoid is prohibited
  - Use is advantageous to the Gov
  - Use otherwise complies with any other condition established by agencies and with policies and regulations referenced in FAR 13.305-1
  - Supplies/Services are available for delivery within 60 days
  - Purchase does not require detailed specifications or technical inspections
- Additional Uses
  - Charges for local delivery, parcel post charges when supplies are to be paid from Imprest fund
  - Charges for line haul or inter-city transportation charges of $75.00 or less for supplies to be paid from Imprest fund
  - Other Expenditures not related to small purchases
    - Travel advances, travel expenses, purchase of postage stamps, transportation tokens or passes

CONDITIONS FOR USE (Cont.)

- Requires approval by the Director for Financial Commerce, Office of the Deputy Chief Financial Officer, Office of the Under Secretary of Defense (Comptroller)
  - Exceptions (Authorized for use without further approval)
    - Overseas transactions at or below the micro-purchase threshold in support of a contingency operation as defined in 10 U.S.C. 101(a)(13)
    - Humanitarian or peacekeeping operation as defined in 10 U.S.C. 2303(7)
    - Classified transactions

UNAUTHORIZED USES

- Payments of salaries/wages
- Advances other than those authorized under Conditions for Use
- Cashing of checks or other negotiable instruments

PURCHASING PROCEDURES

- Each purchase shall be based on authorized purchase request, contracting officer verification statement, or other agency approved method of ensuring adequate funds are available
- Orders to supplies should be placed orally without soliciting competition if prices are considered reasonable
- Contract Clauses are not required
- Purchases shall be distributed equitably among qualified suppliers
- Prompt payment discounts shall be solicited

WRITTEN ORDERS

- If considered necessary then:
  - Use an SF 1165, Receipt for Cash – Subvoucher or as prescribed in FAR 13.307(e)
  - When a purchase order is used it shall be indorsed across the front “Payment to be made from Imprest Funds.”

OTHER PROCEDURES

- Receipt of Material
  - Shall be delivered to a designated receiving activity
    - Receiver shall examine and determine that the quantities and items described on the purchase request and suppliers sales document are listed correctly
      - Include unit prices/extensions, supplier’s name and address and cash discounts if any
    - If acceptable, receiver shall stamp the supplier’s sales document “Received and Accepted” date and sign the document
      - Receiver should pass to the imprest fund cashier for payment

OTHER PROCEDURS (Cont.)

- Acceptable Receipts
  - DD Form 1155 (Order for Supplies or Services)
  - SF 1165 (Receipt for Cash Subvoucher)
  - DD Form 1348-1 (DoD Single Line Item Receipt)
  - Supplier's sales document

Note: If any of these forms are used, the receiver shall stamp the form or sales document "Received and Accepted" date and sign the document. Any additional charges for local delivery or transportation shall be included with the receipt document

OTHER PROCEDURES (Cont)

- Delivery cannot be obtained at destination on a C.O.D. basis
  - Advance arrangements for materials to be picked up or even if advance arrangements cannot be made
    - Cashier may make a cash advance to an authorized individual to pick up and pay for the material
    - Necessary certification of receipt and acceptance of material shall be on one of the documents

ADVANCE OF FUNDS

- If cashier authorizes then shall obtain individuals signature on “Interim receipt for cash” using the receipt for cash portion of the SF 1165, or an equivalent receipt form
- After purchase, individual will return any unused cash to the imprest fund cashier with the necessary certification of receipt, acceptance and cash payment
- Imprest fund cashier will “avoid” the interim receipt for cash
- Cash advanced would be accounted for daily but may be advanced longer if circumstances are unusual

CERTIFICATION OF CASH PAYMENT

- Original receipt document or copy tendered as original will be stamped with the following certification:
  - Statement the cash payment was received in full
  - Amount paid
  - Date of payment
  - Signature of supplier of his agent receiving the cash payment
  - Changes in the amount paid shall be initialed by the individual receiving the cash payment

IMPREST FUND CASHIER RESPONSIBILITIES

- Pending receipt of material
  - Maintain a file of purchase request documents covering imprest fund purchases
  - Settlement of an advance
    - Prior of payment or acceptance of document tendered, shall verify certification of receipt and suppliers’s billed price or the price paid
    - If person receiving the fund does not obtain supplier’s receipt for cash payment of $15.00 or less
      - Imprest fund cashier shall complete the cash receipt document
      - Have person receiving fund sign the document

RESPONSIBILITIES (Cont.)

- Custody of and payments made from fund
  - Questions regarding the property of a transaction, before purchase is made, should be directed/resolved with the responsible contracting official
- Cash On Delivery (C.O.D.)
  - Obtain receipt on SF 1165
  - Remove C.O.D. label from the parcel and affix to receipt document to support the reimbursement voucher
  - May accept signed C.O.D. receipt to support the subvoucher if the carrier refused to sign a Gov form
  - If received from common carrier or post office – certification or cash payment on a list of packages provided by the carrier/post office. Receipt will be supported by copies of sales document
  - Pay the supplier of agent

RESPONSIBILITIES (Cont.)

- Completion of Settlement Transaction
  - Number each subvoucher consecutively
  - Place number on the original of the paid receipt documents
  - Subvouchers will support cashier’s claim for reimbursement of imprest fund
  - Will not request duplicate receipt document, nor retain such documents if provided
  - When total charges are paid without deduction for discounts or correction of minor billing erros then action will be taken to obtain a refund from supplier

RESPONSIBILITIES (Cont.)

- Payments
  - COD shipments received or picked up from a common carrier or post office
    - Certification of cash payment may be accomplished on a list of packages provided by the post office of carrier
    - Receipt supported by copies of applicable sales documents
  - Periodic Payments
    - If administratively convenient and agreeable to supplier
      - Supplies delivered on a repetitive basis provided that the accumulated amount of the deliveries for a specific period does not exceed $500.00 or the amount of the imprest fund whichever is less
  - Failure to ship C.O.D.
    - Use SF 1034 (Public Voucher for Purchases and Services Other than Personal) to make payment
    - Receiver shall prepare necessary certification of receipt and forward the receipted document through the cashier for attachment of the supporting documents

RESPONSIBILITIES (Cont.)

- Reimbursement of Imprest funds
  - Shall be made by use of SF 1129 (Reimbursement Voucher) supported by cashier's subvouchers
  - Cashier shall prepare and submit the SF 1129 in triplicate to the disbursing officer as frequently as necessary but not less than monthly
  - One copy shall be retained by the cashier pending receipt of the paid copy and reimbursement checks from finance
  - Suppliers refunding cash
    - Prior to submission of the SF 1129 covering such payment
      - Cashier shall accept the refund
      - Return the money to the imprest fund
      - Enter the amount of the refund on the original of the supplier's receipt

RESPONSIBILITIES (Cont.)

- Accounting
  - Record keeping shall be as simple as possible
    - File of supplier’s receipt for amounts paid and not yet vouchered for reimbursement
    - Copies of paid reimbursement vouchers

REFERENCES

- DoD 7000.14-R, DoD Financial Management Regulation, Volume 5, Disbursing Policy and Procedures
- Treasury Financial Manual, Part 4, Chapter 3000, Section 3020
- FAR 13.305 and DFARS 213.305